

Meeting Summary
Otay Ranch POM Policy Committee Meeting
1800 Maxwell Road, Lunch Room
Chula Vista, CA 91911

February 4, 2009
2:00-4:00 pm

Approved by the POM Policy Committee on 05/29/09.
Motion to approve by City of Chula Vista/DEPUTY MAYOR JOHN MCCANN.
Motion seconded by County of San Diego/SUPERVISOR GREG COX.
Motion Carried 2/0.

ATTENDEES:

City of Chula Vista

John McCann, Deputy City Mayor
Gary Halbert, Deputy City Manager
Jill Maland, Deputy City Attorney
Marisa Lundstedt, Principal Planner
Josie McNeeley, Associate Planner

County of San Diego

Supervisor Greg Cox, District 1
Michael De La Rosa, District 1 Policy Advisor
Chandra Wallar, Deputy Chief Administrative Officer, Land Use & Env. Group
Mark Mead, County Counsel
Renée Bahl, Director, Department of Parks and Recreation (DPR)
Trish Boaz, Chief, DPR
Megan Hamilton, Group Program Manager, DPR
Larry Duke, District Park Manager, DPR
LeAnn Carmichael, Planning Manager, Department of Planning and Land Use
Cheryl Goddard, Land Use Environmental Planner, DPR

Public (*Per sign-in sheet, Attachment A*)

Amber Himes, U.S. Fish and Wildlife Service
Dave Mayer, CA Department of Fish and Game
Tom Tomlinson, McMillin Companies
Rikki Schroeder, for McMillin Companies

Agenda Item Numbers noted in parentheses

1. Call to Order

(I.) Meeting called to order at 2:04 pm by City of Chula Vista/JOHN MCCANN. DEPUTY MAYOR MCCANN thanked those who provided him updates on the Otay Ranch Preserve and looks forward to working with everyone involved.

2. (II.) County of San Diego/SUPERVISOR GREG COX motioned to approve the meeting minutes. Motion seconded by DEPUTY MAYOR MCCANN. Motion carried.

3. Public Comment on items not related to Agenda

(III.) DEPUTY MAYOR MCCANN opened and closed with no comment.

4. Status Report

(IV.A.1) City of Chula Vista/JOSIE MCNEELEY reported on future infrastructure as an outstanding issue holding up pending conveyances. There are approximately 114 acres pending conveyance due to future infrastructure. At the last Policy Committee meeting, POM staff was directed to move forward with non-binding mediation. A mediation session is scheduled for February 25th however at recent Preserve Management Team (PMT) meetings; there were discussions to hold interim meetings including a Working Group meeting and a special PMT meeting. City requested that the mediation session be moved to the first or second week in March. POM staff will report back to the PMT, ask for further direction on the issue, and present a recommendation to the Policy Committee.

SUPERVISOR COX asked for clarification regarding the scheduled mediation date.

MCNEELEY stated that a mediation session is currently scheduled for February 25th. However, at the last PMT meeting, POM staff was directed to hold a Working Group meeting to discuss reallocation of roll-over funds from the current budget. The details of this will be discussed later in the presentation under Finance. POM staff was also directed to report back the outcome of that meeting to the PMT at a special PMT meeting. In light of these meetings, the sense of timing to complete spring surveys, and coordination consideration with Working Group meetings, the City is proposing that the mediation session be moved to the first or second week in March. Moving the mediation session to March will still allow POM staff to report the outcome of the mediation to the PMT at their next regularly scheduled meeting to be scheduled in early April.

SUPERVISOR COX asked if the mediation session outcome would be on the next agenda for the Policy Committee meeting.

MCNEELEY stated yes.

(IV.A.2) MCNEELEY reported on access through other Public Agency lands as the second issue holding up pending conveyances. There are 606 acres pending conveyance due to access issues. These lands are being offered by Otay Ranch Company and McMillin Companies. Pursuant to the RMP, developers are required to provide legal access in the form of a recorded easement for lands being conveyed to the POM. The developers have encountered issues with obtaining recorded easements through City of San Diego Water Department and Fish and Game parcels. POM staff is assisting the developers in coordinating with these agencies by trying to establish the process to obtain the easements and potentially reduce costs to the developers. Staff has initiated conversation with Fish and Game to initiate a temporary right of easement for the interim and should be approved at a staff level by Fish and Game. Concurrently staff will look to apply for a permanent recorded easement which will need to be approved by the Wildlife Conservation Board. This could take some time. For the City of San Diego Water Department lands, Chula Vista staff is working with its Real Property Specialist, Rick Ryals, who will coordinate with his counterpart at the City of San Diego. Because these access roads are being utilized for the purpose of management and monitoring of the preserve, there is a commonality in interest between all the jurisdictions. It is staff's goal to try and reduce costs for the developer and identify a process to record the easements.

SUPERVISOR COX asked for clarification that the two entities POM staff is dealing with is City of San Diego Water Department and BLM.

MCNEELEY clarified that it is the City of San Diego and CA Department of Fish and Game. Staff has spoke with Tim Dillingham of Fish and Game and he has identified a process on how to obtain a temporary right of entry. POM staff will need to send a letter requesting that access and it can be approved at a Fish and Game staff level. Concurrent to that, a permanent recorded access easement will be applied for to the Wildlife Conservation Board. The permanent easement will take longer to process. Staff will contact the Wildlife Conservation Board to obtain the needed applications and establish what their actual process is. For the City of San Diego lands, Chula Vista's Real Property Specialist is working with his counterpart at the City of San Diego to streamline the easement process and reduce any potential costs to the developers. Currently, the City of San Diego Water Department is requesting that the developers pay for

their fair share value price for the strip of land that provides access to the offered conveyance lands.

SUPERVISOR COX stated all the entities have the same interest in managing the lands for preserve purposes. If the Policy Committee members need to contact the City of San Diego to expedite recording an easement, SUPERVISOR COX offered to do that. Because everyone is working towards the same goal of preservation, there shouldn't be financial consideration for a right of entry.

MCNEELEY stated that the County and the City are in agreement that the POM needs a recorded easement to reduce any potential risks. If there is a MOU or temporary right of entry, there is a risk that the granting entity could revoke them. Or there is the potential that if the land gets sold, the POM would lose the right of entry where as recording a legal easement provides the access in perpetuity. If staff comes to a point where involvement is needed by DEPUTY MAYOR MCANN and/or SUPERVISOR COX, staff will do so.

SUPERVISOR COX asked if any action was needed by the Policy Committee.

MCNEELEY stated no. This item was informational only. City staff will coordinate with County staff to discuss these options.

DEPUTY MAYOR MCCANN stated that SANDAG oversees the MSCP plans. DEPUTY MAYOR MCCANN asked if it would be helpful to coordinate with someone in SANDAG regarding these access issues since all the entities have the same goal. At some point in time a jurisdiction or entity will need access through another entities land. These should be processed as a courtesy without any costs involved and they should be expedited. Staff should look to see if SANDAG can provide assistance.

MCNEELEY stated that since she has been involved with the POM, access has not been an issue. Since this is the first instance, staff will need to establish a procedure to process recorded easements with other public agencies. SUPERVISOR COX offered the Policy Committee members assistance and if need be, POM staff will do so.

DEPUTY MAYOR MCCANN asked for clarification that because we don't have legal access, the POM cannot accept the offered conveyance lands, and therefore the POM is not realizing the specific goals that the POM was created for.

MCNEELEY stated that was correct.

City of Chula Vista/MARISA LUNDSTEDT stated that she could offer her assistance as the appointed South County member to the SANDAG Environmental Mitigation Group. There is a meeting later in the week and LUNDSTEDT would bring up the issue of access at a regional perspective. The other members of the Working Group can provide their input.

SUPERVISOR COX asked if Keith Greer is a member of this group.

LUNDSTEDT stated yes.

KIM KILKENNY stated that he had similar thoughts. The lands that they need access through on City of San Diego lands are designated as cornerstone lands per the City of San Diego's MSCP plan. The City of San Diego's MSCP Plan is identical to the County's and the City of Chula Vista's. The jurisdictions are mutually reliant on each other for their permits. When all of the preserve lands are conveyed, access won't be an issue. This is an interim problem. In regards to the City of San Diego cornerstone lands, KILKENNY had a conversation with Keith Greer on the specific properties and asked if there could be a policy that access would be granted to all MSCP preserve lands. KILKENNY stated that Greer agreed it could be done, however, for the City of San Diego they routinely gave right of entry permits short of an easement. If the POM or POM staff requires an easement, KILKENNY understands why the City wants compensation. However, the POM should consider a right of entry permit until such time that full conveyance is completed.

SUPERVISOR COX asked why an easement is needed if access is through property committed to the MSCP such as the cornerstone properties instead of a right of entry.

MCNEELEY stated that POM staff discussed the risk factor of having a right of entry revoked. It is the City's position based on discussion with the City's Real Property Specialist, that a recorded easement would eliminate that risk. The City wants to insure that the easement remains with the land in perpetuity. In speaking with City of San Diego MSCP staff, they indicated that the City of San Diego Water Department needs to follow specific laws and ordinances. City of San Diego MSCP staff referred POM staff back to the City of San Diego Water Department staff.

SUPERVISOR COX asked if the cornerstone lands are City of San Diego Water Department properties.

MCNEELEY stated that was her understanding.

SUPERVISOR COX asked if the cornerstone lands are part of the MSCP.

MCNEELEY stated yes.

County of San Diego/RENÉE BAHL stated that the County was and still is comfortable with the option of a use and occupancy permit which is similar to the right of entry instead of a formal access agreement. The County is still open to this option and there should not be a cost associated with it. The County is comfortable with the risk factors involved.

SUPERVISOR COX asked what the risk factors are. SUPERVISOR COX asked what the likelihood is that the City would revoke the access considering the access is through the City of San Diego MSCP. These are lands set aside for preservation. They couldn't sell the lands for development purposes.

LUNDSTEDT agreed with SUPERVISOR COX'S approach. Staff will re-evaluate those areas which go over MSCP lands. The risk factors would be lower for those areas. Staff will look into right of entry for those areas that cross MSCP lands. The ultimate goal when the preserve is assembled is to have secured legal access set in stone.

SUPERVISOR COX clarified that once the preserve is fully assembled, there isn't a need for the right of entry.

LUNDSTEDT agreed. After hearing the discussion, staff will look into right of entries for access over MSCP lands.

SUPERVISOR COX asked if POM staff could report back on this issue at the next Policy Committee meeting.

LUNDSTEDT stated yes.

DEPUTY MAYOR MCCANN stated that this could be dealt with in a short amount of time. It staff needs the Policy Committee members to get involved, DEPUTY MAYOR MCCANN and SUPERVISOR COX are willing to contact the City to resolve this issue. Bottomline is that the easement should be a courtesy. The goal is to get lands conveyed to the POM and access issues should be resolved quickly so that we can accomplish assembling the preserve.

TOM TOMLINSON stated that for the McMillin property, McMillin Companies did process a legal easement for a road however the legal easement is not the same as the existing dirt road.

SUPERVISOR COX asked if that gives the POM the needed legal access.

KILKENNY stated that there are practical issues. Legal access can be given by drawing an easement over property, however there may not be a road there. It makes no sense for conservation purposes to cut a new road in. Everyone is in agreement that existing fire roads should be used they just happen to go through other public ownership. The common goal is to get the MSCP to work and access is needed to complete the management and monitoring needed for the MSCP.

DEPUTY MAYOR MCCANN directed POM staff to report on this issue at the next Policy Committee meeting. DEPUTY MAYOR MCCANN encouraged staff to use the resources at the County and the City to get this issue resolved as well as looking at the SANDAG option.

(IV.B) County of San Diego/CHERYL GODDARD reported on future POM alternatives. To provide background, the Otay Ranch Preserve Joint Powers Agreement (JPA) implements the current POM structure. The JPA and Phase 2 Resource Management Plan (RMP) state that the JPA is to be reviewed every 5 years. The PMT and the Policy Committee, at their last meetings directed POM staff to explore future POM alternatives and the pros/strengths and cons/risks of each. These are discussed in the white paper included as a handout.

GODDARD stated that POM staff looked into the following POM alternatives: Existing POM; USFWS manages lands east of Otay Lakes and within the NWR boundary/Determine appropriate POM for remainder of conveyed preserve lands; Third Party POM; and two options for Jurisdictional POMs. Option 1 would divide the preserve based on jurisdictional boundaries in which each jurisdiction would be responsible for conveyed preserve lands within their respective jurisdiction and Option 2 would create independent jurisdictional POMs in which each jurisdiction would be responsible for conveyed preserve lands associated with a development project within their respective jurisdiction.

GODDARD outlined each POM alternative. The Existing POM is implemented by the JPA; County and City have joint responsibilities for management and monitoring of the Preserve; JPA establishes the PMT and the Policy Committee; Funding is collected through CFDs or similar funding mechanism; Currently, the County invoices the City for administrative, operational, and monitoring tasks. A description of the

alternative for USFWS to manage lands east of Otay Lakes and within the NWR boundary/Determine appropriate POM for remainder of conveyed preserve lands includes that per the "Baldwin Agreement" USFWS agreed to have lands east of Otay Lakes and within the NWR boundary transferred to them; These lands total ~6,200, of which ~1,100 acres are currently owned and/or being managed by USFWS or CDFG; USFWS will be relieved of RMP obligations; Funding for management and monitoring of the transferred lands will be at no cost to Otay Ranch projects; County and City to determine appropriate POM for remainder of conveyed preserve lands; Funding source for the remainder lands is identical to the existing POM structure which would be a CFD or similar funding mechanism.

GODDARD continued with the POM alternative backgrounds. The Third Party POM would be responsible for all POM tasks including resource protection, monitoring and management, environmental education, research, recreation, and enforcement activities. Funding source identical to existing POM structure except Third Party POM would invoice the City and the County once development has been built in the unincorporated County for operational, management, and monitoring costs. For Jurisdictional POM - Option 1, the Preserve would be divided based on jurisdictional lines; County and City responsible for implementing RMP tasks and insuring POM responsibilities are completed for all conveyed preserve lands within their respective jurisdiction; Funding source identical to existing POM structure; County and City will need to come to agreement on a per acre rate for management and monitoring costs of conveyed preserve lands. The rates may vary based on location and specific management and monitoring needs. For Jurisdictional POM – Option 2, County and City will be independent POMs to conveyed preserve lands associated with development projects within their respective jurisdiction; Conveyed lands must be managed and monitored in accordance to the jurisdiction's MSCP Subarea Plan in which the land is located; City to fund RMP tasks through CFD97-2; and the County to establish a CFD or similar funding mechanism to fund RMP tasks once development projects are built within the unincorporated County.

GODDARD stated that POM staff drafted pros/strengths, cons/risks, and feasibility questions for each alternative. POM staff's recommendation, with the support of the PMT is for the Policy Committee to direct POM Staff to meet with the Wildlife Agencies, both regulatory and land management divisions, and the Working Group to obtain their feedback on the POM Alternative descriptions, pros/strengths, and cons/risks of each alternative; outline implementation steps needed to execute each alternative; draft estimated timelines to execute each alternative; and discuss the outcomes for the items listed above with the PMT and Policy

Committee at their next regularly scheduled meetings to be scheduled in April and May.

SUPERVISOR COX asked for clarification on the next steps for POM alternatives. POM staff will flush out the alternatives and come back to the Policy Committee at the next meeting. SUPERVISOR COX asked if the Policy Committee is expected to make a decision on an alternative POM at that meeting.

GODDARD stated that staff will have an opportunity to flush out each alternative and will have an opportunity to discuss the feasibility of each. Staff will be able to rank each alternative and present that to the Policy Committee. Additionally, because staff will have implementation steps and estimated timelines drafted, the Policy Committee could direct staff to execute one of the alternatives.

County of San Diego/CHANDRA WALLAR stated that it is not likely that the Policy Committee will be able to make a decision by the next meeting. Details will need to be flushed out, such as what the CFD split will be. This will take some effort. However, staff would like direction from the Policy Committee as to which alternatives to pursue versus others. At the previous Policy Committee meeting, the Councilmember from the City stated that the Third Party POM was not his highest preference although he did want to see information on all the alternatives.

MCCANN asked if staff wanted direction at this meeting or at the next meeting.

WALLAR stated that the Policy Committee could provide direction at this meeting. WALLAR suspects that the Policy Committee will want staff to provide more information on all of the alternatives unless there is one or more that should not be considered or one or more that should be looked at in more detail than the others. WALLAR asked for direction from the Policy Committee regarding the concepts of the alternatives – does one make more sense than the others.

SUPERVISOR COX asked if the property owners input would be considered in addition to the Wildlife Agencies.

GODDARD stated yes. The Working Group consists of property owners, interested stakeholders, and Wildlife Agencies' staff.

SUPERVISOR COX stated that each alternative needs to be flushed out more. SUPERVISOR COX said that he would like to complete more research on the option for the Wildlife Service to take over management of

lands east of the lake. SUPERVISOR COX will meet with Congressman Filner to see what options are available. There are probably legal issues that need to be dealt with in regards to CFD funds if the Wildlife Service took over those lands and if the funds could be used to cover the remainder preserve lands. All the alternatives need to be flushed out. SUPERVISOR COX asked if any lands were being held up with this process.

BAHL stated no.

KILKENNY stated that the Baldwin organization committed in 1995 that the Wildlife Services/Refuge be designated as the POM for the eastern portion of the Preserve. It is understood that there are funding issues on the federal side in that the previous administration was not interested in funding management of preserve lands. With the new administration, a conversation with Congressman Filner is a good idea. The Baldwin agreement continues to support and advocate for this option. The Baldwin organization is not opposed to the other alternatives however the Jurisdictional POM – Option 2 which would create independent jurisdictional POMs should fall off the list. If Chula Vista asked the developer to convey lands in the eastern San Ysidro property, Chula Vista would be responsible for managing those lands and for Village 13, if the County asked that lands be conveyed in the Otay River Valley, that the County would be responsible for those lands. This would create a hopscotch for management and isn't rationale.

TOMLINSON stated that he supports further analysis of the Third Party POM option.

DEPUTY MAYOR MCCANN directed staff to also meet with property owners in addition to the Wildlife Agencies and the Working Group to obtain their feedback. Staff should also analyze the existing POM structure. DEPUTY MAYOR MCCANN would like to see further analysis on the option for the Wildlife Service to take over some of the lands, the Third Party POM, and Jurisdictional POM – Option 1. Option 2 is confusing. For Option 1, if the land is in Chula Vista's jurisdiction, Chula Vista will take care of it. If the land is in the County's jurisdiction, the County will take care of it. For Option 2, it depends on where the development takes place. You could have Chula Vista taking care of lands in the unincorporated area and the County taking care of lands within the City's jurisdiction. This seems too complicated and hard to track. Additionally it seems inefficient if you have a biologist or ranger driving to all these areas. DEPUTY MAYOR MCCANN stated that he was not interested in having Jurisdictional POM – Option 2 being further studied. The optimal Jurisdictional POM to study is Option 1.

SUPERVISOR COX stated that he had questions regarding Jurisdictional POM – Option 2, but that each alternative should be flushed out. The Policy Committee should be able to narrow down the options to two or even one at the next Policy Committee meeting.

DEPUTY MAYOR MCCANN stated that he can support that. There does seem to be other good options to study. Information is always good to look at. However Option 2 doesn't seem to be very practical.

AMBER HIMES stated she works for the Wildlife Services in the ecological branch which is separate from the land management branch. In regards to the Wildlife Services taking over lands east of the lakes, part of the land management division's issue is that the Service does not have the money to take over management and monitoring of those lands. Over the last 5 years or so, the Service has required funding to come along with land for management and monitoring purposes. It may seem like the best option, however it could be complicated based on funding needs alone.

DEPUTY MAYOR MCCANN stated that SUPERVISOR COX had good ideas and he has contacts with Congressman Filner's office.

BAHL asked for clarification regarding adding "property owners" to the motion. BAHM asked if the intention is to go beyond the developers and actually looking at each APN and property owner and inviting them to the meeting.

DEPUTY MAYOR MCCANN stated it should be property owners who would convey lands to the POM or would be affected by it. DEPUTY MAYOR MCCANN accepts staff's recommendation with the amendment that staff should also obtain feedback from property owners who may convey lands to the POM in addition to the Wildlife Agencies and the Working Group.

SUPERVISOR COX seconded the motion. Motion carried.

5. Finance

(V.A.) MCNEELEY provided an update on the current FY08-09 budget. The beginning FY08-09 Fund Balance was \$378,274. The estimated budget for FY08-09 is \$505,500. The City went to their CFD consultants and they determined that the City would go out for \$510,339 which is the maximum tax levy amount the City could go out. The City received its first collection which was due December 10th. Revenues received as of January 22nd, totals \$213,000. This is a shortfall of what was estimated to be received. A second installment is due April 10th. At that point in time,

the City will reassess the collections and determine if the delinquency rate remains at 16%. POM staff will take that into consideration as we move forward with remaining fiscal year expenditures. To date, expenditures total approximately \$70,000. Staff anticipates additional expenditures associated with staff time, costs for biological surveys being completed by our consultants, Dudek. They are to provide us with a draft biological report by June or July. That cost of \$60,000 will be added to the expenditures.

SUPERVISOR COX asked for clarification on the delinquency rate. SUPERVISOR COX asked if it was at 16%.

MCNEELEY stated that based on the first installment collection totaling \$213,000, the delinquency rate is at 16%. The City has consulted its Finance staff and they believe it is fairly too early to determine the delinquency rate at this time. The City will track additional collection amounts through April and factor that into the delinquency rate.

SUPERVISOR COX stated that he spoke with the County's Treasurer/Tax Collector and surprisingly, the delinquency rate is less this year than it was last year. However there have been a number of foreclosures in the Otay Ranch area. Ironically, with more foreclosures, the banks are more inclined to pay the taxes earlier than later due to the penalties.

MCNEELEY stated that the City will continue to monitor the collections and will provide an update to the PMT and Policy Committee at their next meetings. Prior to receiving the first installment collection amount, POM staff reviewed the current year budget and identified funds that were not going to be expended this year in part because the assumed acreage of lands to be conveyed to the POM did not come in. Therefore, there was no need to complete baseline surveys. Staff needed to identify priority tasks that the money could be used for. Staff held Working Group meetings in December and January to come up with priority tasks. POM staff identified that there was approximately \$340,000 that could be reallocated. This is the maximum amount that could be collected, however, if that amount is not realized, tasks have been prioritized. Based on Working Group input, POM staff proposed that the funds be reallocated as follows: Surveying of an additional 286 acres of suitable CAGN habitat (\$10,000); Spring floral survey (\$15,000); Quino survey (\$56,000); Two additional Herp survey sessions (\$8,200); Cultural surveys San Ysidro parcel (\$25,000); On-going biological surveys (\$65,000); Updated RMP/Preserve Biologist (\$100,000); and As-needed management and monitoring (\$60,800). In light of the recent collection amount, staff is being sensitive to the fact that the entire \$340,000 may not be collected.

MCNEELEY stated that the PMT took action to move forward with the surveying of an additional 286 acres of suitable CAGN habitat (\$10,000); Spring floral survey (\$15,000); Quino survey (\$56,000); Two additional Herp survey sessions (\$8,200). This would allow baseline data to be completed for lands currently conveyed to the POM. The additional tasks would need to be reconsidered with the emphasis that there is a need for a Preserve Biologist. The PMT directed POM staff to meet with the Working Group to define the scope of work for the Preserve Biologist. A Preserve Biologist is needed so that there is a person that is very familiar with the preserve in an "on-the ground" sense. They could provide the POM with technical expertise and the needs of the Preserve. The outcome of the scope of work will be presented to the PMT and have them approve the scope of work and prioritize any remaining tasks.

MCNEELEY stated POM staff, with the support of the PMT, recommends that the Policy Committee approve the allocation of a portion of the potential FY08-09 rollover funds to complete Spring Surveys as recommended by the Working Group. These include surveying of an additional 286 acres of suitable CAGN habitat (\$10,000); Spring floral survey (\$15,000); Quino survey (\$56,000); Two additional Herp survey sessions (\$8,200). POM staff also recommends that the Policy Committee direct POM staff to prepare a scope of work for a Preserve Biologist in coordination with the Working Group; Direct POM staff to present the scope of work to the PMT for consideration at a Special PMT meeting which will need to be scheduled prior to the next regularly scheduled PMT meeting in April; and Delegate authority to the PMT to review and approve the proposed funding and scope of work for a Preserve Biologist, as well as, approve the reallocation of the potential remaining FY08-09 rollover funds. The PMT shall further direct POM staff to move forward with the agreed upon PMT recommendation.

KILKENNY stated he is generally supportive of the recommendation. The Otay Ranch Company's primary goal is to have the Preserve implemented, for monitoring and conservation efforts on the ground to occur. Over the last couple of years progress has been made to move towards that. Otay Ranch Company's secondary goal is that the commitments towards the MSCP, in which the RMP is incorporated in the MSCP, are honored especially the monitoring so that the MSCP permits and are secured. KILKENNY is particularly concerned with on-the-ground efforts and supports the recent discussions to have a Preserve Biologist that would be on-the-ground. There is still a concern on the amount of money being used for administration costs. Part of that is a function of having two jurisdictions designated as the POM and some work may be duplicated and there are also some issues that become political. Another concern is on-the-ground management. The management has to make

the preserve system work physically and biologically. In that regard, expenses for a ranger should be minimized and expenses for a biologist maximized. A biologist on-the-ground can notify the necessary enforcement units if there are trespassing or dumping issues and can perform biologist duties. With respect to cultural surveys, this should be the lowest priority. Cannot find any language in the general plan or RMP that requires these surveys. At one time there was a requirement for the property owner to complete surveys parcel-wide and that has been eliminated. It shouldn't be replaced with public monies. No development is proposed by the San Ysidro POM property and development lands adjacent to it were purchased by conservation agencies. Relative to cultural resources, if you find them you mitigate by either recovering them and testing for significance or you leave them in place. On the San Ysidro parcel, if cultural resources were found, they would be left in place. The Otay Ranch Company paid for cultural surveys on all of the Otay Valley parcel in 1995. This information has probably not been touched for public purposes. There is no public value. It wasn't a priority in the general plan or RMP and it shouldn't be a priority today.

HIMES stated that for the Wildlife Agencies, having a Preserve Biologist on-the-ground is their biggest priority. Currently, the Agencies don't believe they have anyone that can tell them what is going on in the Preserve or anyone who could identify priority tasks for the Preserve. HIMES emphasized that the PMT should be delegated to approve the scope of work so that the money is encumbered in a contract by June.

RIKKI SCHROEDER stated she agreed that a Preserve Biologist is needed because the RMP is an adaptive management plan. In order for it to be adaptive and responsive, a biologist is needed on-the-ground. Cultural surveys should not be a high priority unless a trail head, trails, restrooms, or an interpretive center is to be built.

WALLAR stated that the County agrees that a biologist is preferred over a ranger. It sounds like everyone is in agreement that we need to draft and review the scope so that there isn't a need for two separate individuals to be out on-the-ground. One person should be able to handle both duties. In regards to cultural surveys, the County is in agreement as well. If development is not proposed, the surveys are not needed.

City of Chula Vista/GARY HALBERT stated the City is also in agreement.

SUPERVISOR COX asked if the Policy Committee needs to take action.

LUNDSTEDT stated that the Policy Committee would need to delegate authority to the PMT. The Policy Committee already approved the FY08-

09 Budget at the last Policy Committee meeting. As the budget has evolved and it was realized that some of the funds were not going to be expended as anticipated, this is an extra exercise. The Policy Committee would need to delegate authority to the PMT to keep the budget on track.

SUPERVISOR COX asked how much is proposed for cultural surveys.

LUNDSTEDT stated that \$25,000 was proposed but that is not set in stone.

SUPERVISOR COX asked if this was from the existing or proposed budget.

LUNDSTEDT stated from the existing budget.

WALLAR clarified that the PMT concurred on the spending plan in regards to surveying the additional 286 acres of suitable CAGN habitat (\$10,000); Spring floral survey (\$15,000); Quino survey (\$56,000); Two additional Herp survey sessions (\$8,200). The PMT did not concur on the spending plan in regards to Cultural surveys San Ysidro parcel (\$25,000); On-going biological surveys (\$65,000); Updated RMP/Preserve Biologist (\$100,000); and As-needed management and monitoring (\$60,800). The PMT directed staff to meet with the Working Group to obtain their input on the funds that the PMT did not concur on.

HALBERT stated that the PMT also directed staff to analyze if the biologist could also complete tasks associated with the On-going biological surveys (\$65,000); Updated RMP/Preserve Biologist (\$100,000); and As-needed management and monitoring (\$60,800). There maybe some combination in the funds.

LUNDSTEDT when the Policy Committee approved the budget, it approved the general amounts under each category. For example, there is an amount approved for monitoring and that will remain the same, however tasks will now be reprioritized under that category based on input from the Working Group and stakeholders.

SUPERVISOR COX asked for clarification on when the roll-over funds needed to be encumbered.

LUNDSTEDT stated that the City has been flexible. Typically the City would like to receive invoices by June 30th so that the funds are actually spent within the fiscal year. However, City POM staff has worked with the City finance and engineering staff, and they have been accommodating in that as long as the funds are encumbered in a contract, the funds will be

considered encumbered for those tasks even though the funds aren't actually spent within the budgeted fiscal year. The City has been more flexible so that the funds don't go back into the reserves. POM staff would like direction before June so that the contract can be set and funds encumbered for the biologist.

GODDARD clarified that the County has an existing contract with Dudek who will perform the additional tasks as approved by the PMT. These tasks include surveying the additional 286 acres of suitable CAGN habitat (\$10,000); Spring floral survey (\$15,000); Quino survey (\$56,000); Two additional Herp survey sessions (\$8,200). The Dudek contract is currently being amended and should be completed within the next weeks so that Spring surveys can move forward. Additionally, the County is drafting an as-needed contract for future tasks. These tasks could be absorbed under the umbrella contract.

BAHL stated that the as-needed contract will include the Preserve Biologist.

SUPERVISOR COX stated that things should move as expeditiously as they can. By the next Policy Committee meeting things should be more flushed out. SUPERVISOR COX stated that the position should be a contract biologist as opposed to a City or County staff position to avoid the vagaries of funding year to year. Staff should work on having someone out in the Preserve regularly and on a full-time basis. There is value there to have a biologist on-the-ground versus a park ranger. Their expertise and being able to be on-the-ground will discourage people from doing things they aren't supposed to be doing and they can report things that can be followed up by the Sheriff's or by the City. There is agreement that a biologist is a high priority and this should be flushed out by the next meeting.

MCCANN stated that he is in concurrence. The first priority is to obtain a biologist - someone who is on-the-ground monitoring the day-to-day operations.

SUPERVISOR COX asked if baseline surveys needed to be completed on every acre of land that is conveyed or can SANDAG's data collected on their monitoring efforts on a region-wide level be used. The costs for baseline surveys are estimated at \$225 per acre.

MCNEELEY stated that POM staff is coordinating with the Wildlife Agencies and the Working Group in order to insure that the POM is not completing duplicative work. POM budget may be reduced since the

Wildlife Agencies through recent Transnet funds were able to do some of the surveys.

MCCANN stated that conservation and the biology are the highest priority. If cultural surveys aren't going to add any public value, the money should be reallocated to conservation and biology tasks in order to realize the mission of the POM.

SUPERVISOR COX made a motion to approved the recommendation as presented by staff.

MCCANN seconded the motion. Motion carried.

(V.B) MCNEELEY summarized the line items for the proposed FY09-10 budget. Administration totals \$126,025. This includes the cost for a CFD consultant. The City has retained a CFD consultant to assist in determining the maximum tax rate as well as the distribution of rates within the various categories within the district. Administration costs also includes County and City staff time. Preserve Operation and Maintenance totals \$77,740. As a part of this cost, the Seasonal Park Attendant position is proposed to be converted to a Park Ranger position. If the POM does not receive an additional 700 acres by the middle of FY09-10, the Seasonal Park Attendant position will not be converted and the remaining funds may be reallocated to additional management or monitoring tasks, as-needed. Resource Monitoring Program totals \$267,500 for baseline surveys on new lands conveyed to the POM and on-going monitoring for lands currently under POM ownership. POM staff is exploring using these funds for a Preserve Biologist. The total FY09-10 budget is \$471,265. Staff recognizes that the delinquency rate may be potentially higher, therefore staff was sensitive to proposed expenditures and utilized a 5-year budget table. Staff proposes the expenditure total of \$471,265 is a reasonable amount that may be collected. The City will levy for that amount as the maximum tax amount. A roll-over of \$60,000 is shown from FY07-08 to fund the existing contract with Dudek and will be paid out once the baseline surveys have been finalized. A roll over amount of \$340,000 is shown from FY08-09 and is the assumed amount the City can collect. That amount will likely be reduced and will be monitored as the second installment date approaches. The grand total for FY09-10 is approximately \$870,000. The City will go out to levy for \$471,265 and have the CFD consultant determine what the maximum tax rate will be. Staff will update the Policy Committee at their next meeting.

TOMLINSON asked for clarification on the amount to be levied. TOMLINSON asked if the maximum amount should be levied versus the budget total because of the delinquency rate.

MCNEELEY stated that it is assumed that the City will go out for the maximum amount. It is in the POM's best interest to do so to insure the full amount is collected including additional amounts that could be bumped into the reserves.

HIMES suggested that it would be a good idea to revise the budget table after the Working Group provides input on the Preserve Biologist and how the preserve will be managed and monitored. Currently there are no line items for management tasks but there are a couple of line items for monitoring tasks which could be combined under a Preserve Biologist line item.

MCNEELEY stated that the budget is presented as is based on input from the City's finance staff. Ultimately it can be modified to address the specific needs however the budget total should remain at \$471,265.

SUPERVISOR COX asked if the \$471,265 is based on the parcels currently managed by the POM.

HALBERT stated that it is an estimate on what the City will receive based on those predicated lands. The amount to be levied will be higher with the assumption that there will be some tax bills that are not collected.

WALLAR asked if the levy will be \$505,000 with the anticipation that the actual collection will be \$471,265.

MCNEELEY stated that the \$505,000 was the levy for this current fiscal year.

SUPERVISOR COX asked if these are for full parcels within the Otay Ranch.

MCNEELEY stated yes.

SUPERVISOR COX stated that some parcels have not been developed yet and so their tax rate will be less than those that have been developed and built.

MCNEELEY stated yes. There is a specific rate and method of appropriation that establishes the rate based on the specific type of use.

SUPERVISOR COX asked if there is any action that the Policy Committee needs to take on this item.

MCNEELEY stated that the budget is being presented as an informational item.

SUPERVISOR COX stated he expected more details at the next meeting including discussions regarding the biologist.

(V.C) MCNEELEY stated that POM staff was directed to prepare a 5-year budget forecast at the last Policy Committee meeting. Staff has prepared a budget forecast through FY13-14. The table shows projected expenditure and levy amounts through FY13-14. POM staff is using the table as a tool to factor in delinquency rates and potential revenue. The City has worked with its Finance staff in order to use appropriate assumptions to generate the table. The table also identifies the health of the reserve. Ideally, the reserve should be maintained at 75%. By law, through City Ordinance, the reserves must be at a minimum of 50%. The table was created using a number of assumptions which are listed on the table. It factors in the governor's index rate and CPI, the number of parcels to be taxed in a given year, and the maximum tax for the year. The maximum tax is dependent on the health of the reserve, the governor's index, and the CPI. Based on the last PMT meeting it was recognized that this table is a useful tool in determining proposed expenditures and potential collection amounts. The table will be updated as new information becomes available and will be presented throughout the year to show how the numbers are being maintained.

SUPERVISOR COX asked for clarification regarding the number of taxable parcels. It remains at 9,536 through the entire forecast. SUPERVISOR COX asked if this is an indication of a slow down in development.

MCNEELEY stated that staff assumed worst-case scenario based on the current state of the economy. It will be updated with input from City engineering staff to include any developments within the Eastern Urban Core as well as the University site. The City anticipates that those units being built and taxable will be in 2012/2013. The numbers are estimates and will be refined with input from City engineering staff.

6. Next Policy Committee Meeting

(VII.) MCCANN stated that schedules will need to be coordinated.

SUPERVISOR COX directed staff to review the Resource Management Plan that was approved in the 90's. Modifications have been made by the City and the County. Since many things have happened since the adoption of the Resource Management Plan including the adoption of the MSCP and the Refuge, different developments and conveyances have occurred, the Salt Creek sewer has been built, SR125, County's General Plan update, it will be nice to have one updated document that is

consistent for the County and the City. This document should be reviewed every 5 years. It shouldn't be a lengthy task and it shouldn't be one that a biologist completes. SUPERVISOR COX directed staff to report back at the next meeting on how big of a project it really is to update the Resource Management Plan and the timeframe it would take to complete.

MCCANN concurred and seconded the motion. Motion carried.

HIMES stated that KILKENNY provided updates to POM staff at the end of last year. The Wildlife Agencies have not seen KILKENNY'S draft but has requested it from KILKENNY for their review. The update has already been initiated.

RANIE HUNTER stated that Otay Ranch Company is proposing Village 13 in the County. It is important to process the updates to Phase 2 Resource Management Plan in order to have the documents in place to move forward with the Resort. It will be helpful if both jurisdictions concurred on the same updated document.

LUNDSTEDT clarified that there is a Phase 1 and Phase 2 Resource Management Plan. Phase 1 is the policy document and there is not many changes with that document. As HIMES mentioned, KILKENNY submitted a draft Phase 2 Resource Management Plan and that is what staff is focusing on. Once staff completes review, staff will coordinate with the Wildlife Agencies.

SUPERVISOR COX agreed that the focus should be on Phase 2 Resource Management Plan.

MCCANN requested that for the next meeting, that the room be set-up similar to how it is set-up for the OVRP Policy Committee meeting with SUPERVISOR COX and himself in the middle with staff on either side.

8. Adjournment

(VIII.) MCCANN adjourned the meeting at 3:22pm.

ATTACHMENT A

MEETING SIGN-IN SHEET

Project: Otay Ranch Preserve
Policy Committee Meeting

Meeting Date/Time: February 4, 2009, 2:00-4:00 pm

Place/Room: 1800 Maxwell Road, Lunch Room
Chula Vista, CA 91911

[illegible]